

§ 1033.720 Trading emission credits.

(a) Trading is the exchange of emission credits between certificate holders. You may use traded emission credits for averaging, banking, or further trading transactions. Traded emission credits may be used only as allowed by § 1033.740.

(b) You may trade actual emission credits as described in this subpart. You may also trade reserved emission credits, but we may revoke these emission credits based on our review of your records or reports or those of the company with which you traded emission credits.

(c) If a negative emission credit balance results from a transaction, both the buyer and seller are liable, except in cases we deem to involve fraud. See § 1033.255(e) for cases involving fraud. We may void the certificates of all engine families participating in a trade that results in a manufacturer/remanufacturer having a negative balance of emission credits. See § 1033.745.

§ 1033.722 Transferring emission credits.

(a) Credit transfer is the conveying of control over credits, either:

- (1) From a certifying manufacturer/remanufacturer to an owner/operator.
- (2) From an owner/operator to a certifying manufacturer/remanufacturer.

(b) Transferred credits can be:

- (1) Used by a certifying manufacturer/remanufacturer in averaging.
- (2) Transferred again within the model year.

(3) Reserved for later banking. Transferred credits may not be traded unless they have been previously banked.

(c) Owners/operators participating in credit transfers must submit the reports specified in § 1033.730.

§ 1033.725 Requirements for your application for certification.

(a) You must declare in your application for certification your intent to use the provisions of this subpart for each engine family that will be certified using the ABT program. You must also declare the FELs you select for the engine family for each pollutant for which you are using the ABT program. Your FELs must comply with the specifications of subpart B of this part, in-

cluding the FEL caps. FELs must be expressed to the same number of decimal places as the applicable emission standards.

(b) Include the following in your application for certification:

(1) A statement that, to the best of your belief, you will not have a negative balance of emission credits for any averaging set when all emission credits are calculated at the end of the year.

(2) Detailed calculations of projected emission credits (positive or negative) based on projected production volumes.

§ 1033.730 ABT reports.

(a) If any of your engine families are certified using the ABT provisions of this subpart, you must send an end-of-year report within 90 days after the end of the model year and a final report within 270 days after the end of the model year. We may waive the requirement to send the end-of-year report, as long as you send the final report on time.

(b) Your end-of-year and final reports must include the following information for each engine family participating in the ABT program:

- (1) Engine family designation.
- (2) The emission standards that would otherwise apply to the engine family.

(3) The FEL for each pollutant. If you changed an FEL during the model year, identify each FEL you used and calculate the positive or negative emission credits under each FEL. Also, describe how the applicable FEL can be identified for each locomotive you produced. For example, you might keep a list of locomotive identification numbers that correspond with certain FEL values.

(4) The projected and actual production volumes for the model year that will be placed into service in the United States as described in § 1033.705. If you changed an FEL during the model year, identify the actual production volume associated with each FEL.

(5) Rated power for each locomotive configuration, and the sales-weighted average locomotive power for the engine family.

(6) Useful life.

(7) Calculated positive or negative emission credits for the whole engine